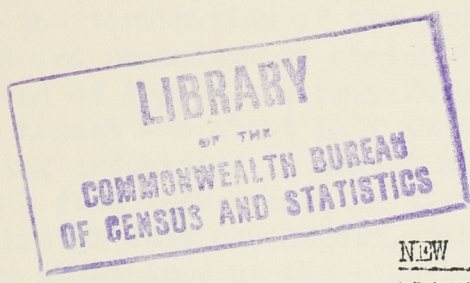


15th October, 1949

B.S. E. 1949/8



DIGEST OF CURRENT STATISTICS

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PART 1: EMPLOYMENT AND NON-RURAL INDUSTRIES

GENERAL.

With the termination of the coal strike on 15th August power supplies were restored and unemployment abated quickly. Pay-roll employment in New South Wales at the end of August was only 2% below the peak of May, 1949. Iron and steel output for August was about half that of earlier months. Production in many manufacturing industries in August was between 50% and 100% of pre-strike level. Essential food industries, in particular, maintained nearly full production right through July and August. Since the termination of the strike coal output has been maintained at the high level of 275,000 tons a week (approx. 225,000 tons during year 1948), and iron and steel output in September (94,000 tons and 134,000 tons) was also well above pre-strike level. The State transport undertakings experienced considerable losses in traffic and revenue in July and August, and some effects of the strike are also reflected in the figures for retail trade and savings activity. Upon devaluation of the currency on 19th September the price of gold was raised, causing an upward movement in gold and other shares at the Stock Exchanges. Changes in the relation of the Australian to other currencies are discussed on page 87.

EMPLOYMENT - New South Wales.

Employment in New South Wales (other than rural workers and female domestics) fell during the coal strike from 991,500 at the end of May to 880,800 at the end of July, a decrease of 12% in male and 10% in female employment. The number stood down was probably greater as some recorded on pay-rolls as employed may not have been working at the end of July. During August recorded employment increased by 86,400 to 967,200 (701,200 men and 266,000 women), that is still 24,300 below the May figure.

EMPLOYMENT IN NEW SOUTH WALES (excl.: Employers & Workers on own account) in thousands

EMPLOYMENT IN NEW SOUTH WALES (excl.: Employers & workers on own account)						
M o n t h	WAGE AND SALARY EARNERS IN EMPLOYMENT					Men from N.S.W. in Armed Forces
	Rural	Domestics	All other Wage Earners			
	Males(a)	Females (b)	Males	Females	Total	
1939- July	41	52	530	168	698	6
1945- July	23	19	541	247	788	224
1948- July	31	n.a.	702	263	965	14
1949- May	32	n.a.	722	270	992	13
- June		n.a.	706	264	970	13
- July		n.a.	637	244	881	13
- August		n.a.	701	266	967	13

(a) Ascertained in March; permanent employees only. (b) Employed in private households.

Note: The number of employees recorded on Pay-roll Tax returns relate to those whose names appeared on the last pay roll of the month irrespective of whether they were actually working at the end of the month.

The principal falls in the number of employees on payrolls in June and July occurred in factories (58,900) and coal mines (15,100) with smaller decreases in building and construction (2,000), retail trade (4,000) and services (5,700). In August factory employment increased by 63,900 and other industries also regained some of their losses during the previous two months. Employment in communications mainly P.M.G., finance and wholesale trade were well above the level of May, 1949 in August.

COAL PRODUCTION - New South Wales

Since the miners resumed production on 15th August coal output has been well above pre-strike levels. For the eight weeks ended 10th October production averaged 275,000 tons a week, compared with an average weekly output of 236,000 tons in the early part of 1949 and 225,000 tons for 1948. The production increase was greatest in underground mines; the yield from open cuts was slightly below the pre-strike average.

PRODUCTION OF COAL - New South Wales - in thousand tons.

	40 weeks to	39 weeks to	38 weeks to	WEEKLY AVERAGE to date shown			
	12/10/47	10/10/48	8/10/49	Year 1948	22 weeks 18/6/49	2 weeks 13/8/49	8 weeks 8/10/49
Underground	8,268	8,078	6,782	201	208	2	250
Open-cut	747	984	961	24	28	51	26
Total	9,015	9,062	7,743	225	236	53	276

GAS AND ELECTRICITY - New South Wales and Sydney.

Rationing of light, heat and power reduced gas production in New South Wales by 40% and electricity generation by 46% between May and July, 1949, but after restrictions on supplies were lifted on 19th August (excepting winter restrictions previously in force) production regained pre-strike level. Gas production for the month of August was 1356 mill. cub.ft. and electricity generation 262 mill. kWh, both about 19% below August, 1948. The index for gas and electricity consumption in Sydney (seasonally adjusted) in August was 20% below August, 1948 but still 40% above pre-war.

GAS AND ELECTRICITY - Year and Month

N.S.W. Production	Year ended June				1948	1949		
	1939	1947	1948	1949	Aug- ust	May	July	August
Gas mill.cub.ft.	10,896	16,744	18,093	18,161	1,663	1,730	1,036	1,356
Electricity mill. kWh.	1,948	3,229	3,546	3,718	324	336	180	262
Gas & El'y Consumption, Sydney								
Index - 1937-39=100 (a)	104	161	174	179	174	190	96	140

(a) Seasonally adjusted

INDUSTRIAL DISPUTES - New South Wales

The general strike on the coal fields affected nearly 15,000 coal mining employees (excluding safety-men, deputies etc. who remained on duty) for 21 working days in July and 14 working days in August, making a total loss 516,000 man-working days. Dispute losses in coal mines for the remainder of August were comparatively small (8,000 man-working days). The principal disputes in other industries were at the Clyde Engineering Works (where about 1000 workers were idle from March until 21st August) and some short disputes at the waterfront.

INDUSTRIAL DISPUTES - New South Wales

Thousand Man-Days Lost

	Yearly Average		Year				1949 Monthly Average or Month			
	1937-39	1940-44	1945	1946	1947	1948	Mar.Qr.	June Qr.	July	August
Coal Mining	466	473	630	299	388	471	29	40	307	217
Other Employment	178	338	1,249	617	739	304	26	36	33	17
Total	644	811	1,879	916	1,127	775	55	76	340	234

GOVERNMENT TRAMS AND BUSES - Sydney and Newcastle.

Passenger traffic on Government trams and buses reached a peak of 546 mill. passenger journey in 1944-45; since then it has declined slightly and was 491 mill. in 1948-49, 4% less than in 1947-48. The reduction in recent years may be due partly to through runs replacing wartime feeder services and also in reaction to higher fares. In 1948-49 traffic was 31% above 1938-39, the increase being solely in bus traffic. The proportion of bus to total traffic has risen during the past ten years from 17% to 34% in Sydney and from 22% to 60% in Newcastle

GOVERNMENT TRAMS AND BUSES - PASSENGER TRAFFIC (1)

Year ended June	Sydney		Newcastle		Sydney & Newcastle		
	Total	%-Bus	Total	%-Bus	Trams	Bus	Total
	mill.		mill.		mill.	mill.	mill.
1939	351	17%	24	22%	311	64	375
1946	497	22%	45	38%	417	125	542
1947	490	23%	44	41%	403	131	534
1948	469	26%	44	47%	368	145	513
1949	449	34%	42	60%	313	178	491

(1) Excluding passengers not travelling beyond the Sydney Harbour Bridge Section.

Heavier traffic lifted gross earnings of the Sydney and Newcastle services from £4.37 mill. in 1938-39 to £5.94 mill. in 1945-46. Fare increases in July, 1947 and again in November, 1948 raised it to £8.74 mill. (including a subsidy for concession fares of £184,000) in 1948-49, although revenue was affected by the refusal of employees to operate trams on Sundays (July-Sept. 1948) and by the coal strike (June, 1949). However, working expenses have increased more rapidly. In 1946-47 and 1947-48 they exceeded gross earnings, and the surplus of £160,000 in 1948-49 was insufficient to meet depreciation and debt charges amounting to £470,000 in that year. Main increases in expenditure were in wages and fuel costs. Depreciation charges (£255,000 in 1947-48 and £153,000 in 1948-49) were

reduced through capital adjustments and an altered basis for bus depreciation. The accumulated loss of the Sydney services at the end of June, 1949 was £1.40 mill. and for the Newcastle services £388,000.

GOVERNMENT TRAMS AND BUSES - EARNINGS AND EXPENSES

Year ended June	S y d n e y			Newcastle			Net Result of Operations (1)		
	Gross Earnings	Working Exp's	Balance	Gross Earnings	Working Exp's	Balance	Sydney	Newcastle	Total
	£ t h o u s a n d s								
1939	4,082	3,460	622	292	247	45	35	- 21	14
1946	5,372	5,286	86	563	540	23	- 346	- 33	-379
1947	5,512	5,624	-112	594	603	- 9	- 563	- 65	-628
1948	7,111	7,151	- 40	743	744	- 1	- 602	- 74	-678
1949	7,883	7,737	146	857	843	14	- 272	- 38	-310

(1) After allowing for depreciation, debt charges and reserves.

Gross earnings in July and August, 1949 totalled £1.36 mill. (Sydney and Newcastle) compared with £1.30 mill. in the same period of 1948, higher fares apparently offsetting the decline in traffic because of the strike.

MOTOR VEHICLES REGISTRATIONS - New South Wales

Registrations of new motor vehicles remained at a high level during the strike period. Both the number of new cars (2,163) and new commercial vehicles (1,180) registered in August were well above the average for 1948-49. About 84% of new cars and 63% of new lorries registered in July and August were United Kingdom makes and the balance mostly came from America, France or Italy. The number of vehicles on the State register reached a peak at the end of August with 236,096 cars, 6,633 public passenger vehicles and 146,694 commercial vehicles, representing increases over June, 1939 of 11%, 38% and 89% respectively.

REGISTRATION OF MOTOR VEHICLES - New South Wales

P e r i o d	New Vehicles Registered			Civilian Vehicles on Register		
	Cars	Lorries (a)	Cars	Public Pass. Vehicles(b)	Lorries(a)	Total of Foregoing(c)
Year ended June	Monthly Averages			As at end of Period		
Av.1937-1939	1,847	775	213,331	4,807	77,761	295,899
Av.1942-1945	50	192	182,972	4,853	84,703	272,528
1948	1,388	802	210,506	6,262	130,811	347,579
1949	2,122	1,040	232,837	6,635	144,793	384,265
July - 1949	1,911	1,077	234,352	6,644	145,694	386,690
Aug. - 1949	2,163	1,180	236,096	6,633	146,694	389,423

(a) Includes utilities, vans and road tractors. (b) Includes buses, taxis, hire cars and tourist cars. (c) Excludes motor cycles, trailers and trader's plates.

NEW SOUTH WALES RAILWAYS.

Railway traffic in July and August was greatly reduced on account of the coal strike. Compared with July/August, 1948 the number of passenger journeys fell from 43.6 mill. to 36 mill. (17%) and goods carried from 3.05 mill. tons to 1.28 mill. tons (61%). Gross earnings were nearly halved, from £8.27 mill. to £3.70 mill., but working expenses were only £290,000 less, leaving a loss on working account of £1.36 mill. for July/August, 1949 compared with a surplus of £920,000 for the two months of 1948.

NEW SOUTH WALES GOVERNMENT RAILWAYS

Y e a r	Two months ended August					Month of August	
	Passenger Journeys	Goods(excl. Livestock)	Gross Earnings	Working Expenses	Net (a) Earnings	Passenger Journeys	Goods (excl. Livestock)
	Millions	Mill. tons	£mill.	£mill.	£mill.	Millions	Mill. tons
1938	31.4	2.60	3.12	2.36	0.76	15.8	1.23
1947	43.0	3.04	5.33	4.74	0.59	21.7	1.48
1948	43.6	3.05	6.27	5.35	0.92	23.1	1.55
1949	36.0	1.28	3.70	5.06	-1.36	20.2	0.92

(a) Excess of gross earnings over working expenses; excluding Government contribution £800,000 for developmental lines.

PART 11: FINANCE AND TRADE

TRADING BANKS - Australia.

Trading bank deposits in Australia reached a peak of £831 mill. in April 1949 and were down to £791 mill. in August, - a fall of £37 mill. (with adjustments taken into account - see note to table below.) Bank advances during the same period increased by £20 mill. The seasonal fall in export incomes, credit requirements by primary producers and tax commitments combine to increase the demand on trading bank funds during the winter months. The funds to meet this seasonal demand in 1949 were provided chiefly by releases from Special Account held by the Commonwealth Bank.

NINE TRADING BANKS - Business within Australia.

Month (Weekly Averages)	Deposits at credit of customers	Balances due to Other Banks	Advances to Customers	Public Secur- ities	Special A/c with C'wth Bank	Treas ury Bills	Cash Items	Ratios to Deposits	
	£million	£million	£million	£mill.	£mill.	£mill.	£mill.	Advan- ces	Spec- ial A/c
1939-August	315	1	294	22	-	19	31	93	-
1946-August	616	1	238	115	252	23	37	39	42
1947-August	629	3	308	76	240	11	41	49	38
1948-June	717	27	349	59	293	19	46	49	41
-July	699	34	362	60	285	12	41	52	41
-August	688	36	362	60	272	12	46	53	40
1949-April	831(a)	34	373(a)	63	379	19	44	45	46
-June	817(a)	50	383(a)	62	381	11	40	47	47
-July	792(a)	46	392(a)	69	341	11	42	50	43
-August	791(a)	38	390(a)	73	326	13	47	49	41

(a) Following technical adjustments in bank returns, deposits and advances were reduced by £9 million as from January, 1949, and a further £3 mill. in July, 1949.

SAVINGS BANK DEPOSITS - New South Wales.

New deposits lodged with the Commonwealth Savings Bank in New South Wales fell from £15.9 mill. in July, 1949 to £14.9 mill. in August; matching the seasonal fall in the same period of earlier years. Withdrawals in 1949 rose from £14.3 mill. in July to £15 mill. in August possibly because of the coal strike. Total deposits at the end of August were £246 mill., a rise of £1.5 mill. since June 1949, compared with small decreases in the two months of 1948 and 1949.

SAVINGS BANK DEPOSITS (£ million)

P e r i o d	New South Wales				Total Deposits at end of Period.	
	Deposits Lodged	Withdrawals made	Net Increase (+) or Decrease (-)	Inter- est Added	N.S.W.	Australia
1938-39 July-June	66.6	67.2	- 0.6	1.6	87.5	245.6
1945/46 July-June	191.3	156.8	+ 34.5	3.6	236.3	663.6
1946/47 July-June	159.2	167.9	- 8.7	3.8	231.4	660.0
1947/48 July-June	161.0	159.2	+ 1.8	3.8	237.0	681.3
1948/49 July-June	171.8	168.2	+ 3.6	3.9	244.5	714.2
1948 July	14.4	14.1	+ 0.3	-	237.3	682.6
- August	13.4	13.8	- 0.4	-	236.9	683.6
1949 July	15.9	14.3	+ 1.6	-	246.1	719.6
- August	14.9	15.0	- 0.1	-	246.0	721.4

COMMONWEALTH BANK - CENTRAL BANKING BUSINESS - Australia.

Gold and overseas funds held by the Central Bank increased by £116 mill. between September, 1947 and 1948 and by another £86 mill. to £378 mill. in September, 1949. A peak of £398 mill. was reached in May, 1949, the subsequent fall of £20 mill. being due apparently to the excess of import and interest commitments over export returns which usually occurs in the middle of the year. International currency reserves held by all Banks rose from £56 mill. in June, 1939 to £274 mill. in 1948 and £452 mill. in June, 1949.

The credit expansion engendered by the export surplus and capital inflow of recent years was partly offset by the absorption of trading bank deposits on Special Accounts with the Commonwealth Bank which rose from £268 mill. in September, 1948 to £370 mill. in June, 1949; a reduction of £61 mill. in the September quarter can be ascribed to seasonal requirements of the banks, increased by strike conditions. Another counteracting effect to credit expansion has been the accumulation of Government balances; these are included in "Other

liabilities" which rose from £159 mill. to £207 mill. over the year. Temporary accomodation to trading banks is reflected in movements of "other assets" which increased from £27 mill. in September, 1948 to £56 mill. in June, 1949 but were back to £28 mill. at the end of September.

In spite of rising prices and wages the Australian note issue which had risen from about £50 mill. in 1939 to £197 mill. in 1946 did not increase further in the two following years. However, it has moved upwards in 1949. Only portion of the extra 1948 Christmas issue of £20 mill. was returned and small increases brought the total up to £210 mill. in May 1949, when seasonal demands and strike conditions caused a further rise to £215 mill. in September.

COMMONWEALTH BANK-CENTRAL BANKING BUSINESS, including Note Issue
(£millions)

Last Week of Month	Notes on Issue held by			Trading Banks		Other Lia- bilities (a)	Gold & Bal'cs abroad	Gov't & other Sec- urities.	Other Assets (b)
	Public	Banks	Total	Special A/c	Other Dep's				
1945-September	170	16	186	222	30	143	160	418	7
1946-September	180	17	197	253	25	134	217	392	3
1947-September	177	23	200	238	29	120	176	405	7
1948-June	174	23	197	294	28	178	255	397	39
-September	173	24	197	268	36	159	292	345	27
1949-June	186	25	213	370	24	183	392	340	56
-September	n.a.	n.a.	215	309	34	207	378	362	28

INTERBANK CLEARINGS - SYDNEY

Discounting seasonal fluctuations the value of inter-bank clearings (Sydney, excl. loan transactions) has increased, but not so rapidly as in earlier years. Rises in 1949 over 1948 were 16% in the March and June quarters and 10% in September quarter, compared with an increase of 22% in 1948 over 1947. The fall from £770 mill. in June quarter, 1949 to £719 mill. in September quarter was greater than the usual seasonal contraction, resulting from smaller tax maturities and termination of wool sales, and possibly may register effects of the coal strike. The present volume of clearings is about three times above pre-war.

INTER-BANK CHEQUE CLEARINGS - SYDNEY (a)

P e r i o d						Percentage increase on previous year			
	1939	1946	1947	1948	1949	1946	1947	1948	1949
	& millions								
March Quarter	222	389	459	545	634	13%	18%	19%	16%
June Quarter	233	448	540	663	770	16%	21%	23%	16%
September Quarter	221	486	518	655	719	31%	7%	26%	10%
December Quarter	256	503	587	715		31%	17%	22%	
Y e a r	933	1,826	2,104	2,578		23%	15%	22%	

(a) Excluding Government transactions.

SYDNEY STOCK EXCHANGE

The stock market was very firm in September, and the general upward movement in prices which begun in July continued throughout the month. Announcement of the devaluation of sterling increased the demand for shares in export industries, in particular for mining shares. The share price index for 75 companies (which does not include mining shares) rose by 2% over the month to 252, - the highest point since March, 1949 though still below the peak of 271.5 reached in January, 1948. The composite mining share index (base metals only) of the Sydney Stock Exchange rose by 13% during September and even greater increases were recorded for gold shares.

INDEX OF SHARES PRICES - Sydney (Compiled by N.S.W. Govt Statistician)
Prices of Ordinary Shares (excl. Banks) - Par Value=100

M o n t h	Manufact'g & Distributing	Retail	Public Utilities	Pastoral Finance	Insurance	Total 75 Companies	34 Active Shares
1939-August	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1942-March	173.0	138.3	120.8	110.3	213.7	140.6	147.0
1946-December	292.4	251.6	197.3	160.7	322.5	229.7	247.2
1948-January	361.4	315.5	184.7	191.7	407.8	271.5	283.7
1949-June	326.9	274.4	153.1	171.7	462.3	242.4	246.4
-July	323.6	271.4	153.5	173.5	456.1	239.7	244.2
-August	332.2	286.3	155.9	184.0	464.9	247.8	255.0
-September	340.1	289.1	157.8	183.7	473.6	252.1	259.0

NOTE: Regulations restricting trading and price movements in company shares imposed in February, 1942, with subsequent amendments, were rescinded in January, 1947.

RETAIL TRADE (Large Sydney Stores)

The rising trend in retail sales levelled off in June quarter, 1949 when they were about 6% above June quarter, 1948, compared with rises of 17% in March quarter 1949 over 1948 and 16% for the year 1948 over 1947. The coal strike through lighting and transport restrictions and wage losses caused sales values to fall in July, 1949 to 16% under July, 1948. Turnovers in July, 1949 were lower in all main sections, in particular in piece goods, women's and children's wear and furniture.

RETAIL TRADE - LARGE SYDNEY STORES Percentage Increase on same period of previous year

Month or Quarter	VALUE OF SALES			Month	VALUE OF STOCKS		
	1947	1948	1949		1947	1948	1949
	%	%	%		%	%	%
March Quarter	15	20	17	March	38	30	7
June Quarter	19	19	6	June	35	27	8
July	12	30	-16	July	29	19	9
Increase seven months ended July	16	21	7		37	26	8

Stock values during the first seven months of 1949 rose by 8% over the same period of 1948, compared with increases of 26% and 37% for the seven months of 1948 over 1947 and 1947 over 1946. It appears that after buying heavily during the first three post-war years retail stores had replenished their stocks to levels adequate for current demand towards the middle of 1948; their purchases since did generally not exceed current sales, if price rises are taken into account.

CENSUS OF RETAIL ESTABLISHMENTS

A summary of the first Australian Census of retail establishments shows that retail sales of goods in Australia in the year ended June, 1948 totalled 1,001 mill; for New South Wales the total was £401 mill. or £133 per head of population (£130 for the whole of Australia) sold by 42,101 individual establishments, an average turnover of £9,534 per establishment. Grouping sales under main headings food items accounted for 31% of total retail sales in New South Wales, clothing (with related lines) for 20% and motor vehicles, parts and petrol for 11%. Nearly two thirds of the shop departments listed sold foodstuffs.

RETAIL SALES BY COMMODITIES. NUMBER OF ESTABLISHMENTS & SALES VALUE

	Number 30/6/1948(a)		Value 1947/48 (b)	
	N. S. W.	Australia	N. S. W. £mill.	Australia £mill.
Groceries	10,151	25,383	50.86	128.28
Confectionery, Ice Cream, Soft Drinks	10,987	27,167	12.06	31.10
Other Types of Food	13,275	34,542	60.50	151.54
Clothing, Footwear, Drapery etc.	6,225	17,152	82.22	200.16
Hardware, China, Glassware	3,893	11,276	26.30	64.54
Furniture, Floor Coverings	1,139	3,337	16.83	39.81
Newspapers, Books, Stationery	3,343	9,699	11.11	25.54
Motor Vehicles, Parts, Petrol etc.	3,563	10,676	43.65	120.09
Other Goods	18,400	48,573	97.37	240.39
Total (a)	42,101	113,965	401.40	1001.45

(a) Number of establishments selling any goods in the groups specified; total shows number of individual establishments operating.

(b) Goods sold in each group in year ended 30th June, 1948.

Apart from retail sales, as shown above, about £18 mill. in New South Wales (£53 mill. in Australia) were taken for other services, including £2.5 mill. (£6 mill.) for hairdressing, £8.4 mill. (£23.4 mill.) for repairs on footwear, motor cars etc., and £4 mill. (£11.3 mill.) for hotel meals and accommodation.

FOREIGN EXCHANGE RATES.

On 19th September, 1949 the United Kingdom, Australia and other sterling countries reduced the value of their currencies in terms of dollars and other 'hard' currencies. As a result, the £A depreciated by about 30% as against the U.S. dollar, Swiss franc, and Pakistan rupee, 23% against the Canadian dollar, 21% against the Belgian franc and 11% against the French franc. There was no change in exchange rates between Australia and the United Kingdom, South Africa, New Zealand, India, Ceylon and the Scandinavian countries.

Before the war the U.S.-Australia rate was \$3.75 but it was reduced to \$3.24 early in 1940; the Canadian rate which during the war had followed sterling was restored to parity with the U.S. dollar in the middle of 1946. Sweden and Switzerland also appreciated their currencies during this period. In contrast, the value of the French and Belgian currencies depreciated considerably as a result of the war and their decision not to follow the recent sterling dollar devaluation all the way has restored only a fraction of the post-war fall. New Zealand appreciated to parity with £stg. in August, 1948 and followed sterling with the recent dollar devaluation.

FOREIGN EXCHANGE RATES (T.T. Buying Rate; Currencies to £A1)

	U.S.A. \$U.S.	Canada \$ Can.	Switzerland Francs	Belgium Francs	France Francs	Holland Florins	Manila Pesos	Pakistan Rupees
July 1939	3.750	3.750	16.650	22.125	141.63	7.074	7.574	-
August, 1949	3.228	3.228	13.938	142.35	882.40	8.605	6.521	10.749
Sept. 26, 1949	2.243	2.468	9.739	112.84	788.38	8.565	4.540	7.460
Depreciation Aug/Sept., 1949	31%	23%	30%	21%	11%	1½%	30%	30%

The immediate effect of the exchange adjustment is a rise of Australia's export returns as well as higher dollar import costs. In trade with the United States and Canada Australia had an import surplus of £12.5 mill. in 1948-49, but imports from the two countries were only 13% of total imports. It must be remembered however, that depreciation was designed to help the exchange position of sterling areas as a whole. Main imports from the dollar area are machinery, motor vehicles, petrol and cotton goods. American materials also enter widely into manufacture of British exports the prices of which may be affected. The final effect of the currency changes for Australia will depend largely on developments in overseas prices and in the demand for Australia's exportable products and on local production trends.

OVERSEA TRADE - Australia 1948/49 (f.o.b. values - £A mill.)

	United Kingdom	Other (1) British	United States	Canada	Switzerland	Belgium	France	Others	Total
Exports	231.7	99.0	32.3	8.7	1.3	20.0	46.6	107.6	547.2
Imports	209.5	65.7	41.5	12.0	2.4	3.6	4.0	76.4	415.1

(1) Excluding Canada

The higher dollar value caused an increase in Australia's debt burden on loans outstanding in New York. (Interest on Commonwealth and State loans payable in New York required £A2.45 mill. in 1947-48; in addition there were some local Government loans outstanding). Another immediate effect was an increase in the official gold price from £10.15.3 a fine oz. to £15.19.10. Gold production in Australia in 1948-49 was 935,000 fine oz. valued at £10.06 mill (64,000 fine oz. valued at £686,000 in New South Wales), and the higher price may stimulate increased production. In 1938-39 1,610,000 fine oz. valued at £14.58 mill. were produced in Australia.

COMMONWEALTH ACCOUNTS:

Commonwealth revenue in the September quarter of 1949 totalled £114.9 m., that is about £700,000 less than in 1948. Income tax (at reduced rates during the year) with Social Service Contributions yielded £5.3 m. less but revenue from customs and excise, payroll tax and other sources was higher in 1949. Total expenditure was £16.4 m. higher. Social service payments rose by from £17.2 m. to £22 m., child endowment requiring £1.7 m. more because of higher rates and unemployment and sickness benefits an additional £1.3 m. because of the coal strike. Tax reimbursements to the States increased from £8.9 m. to £11 m., and capital works expenditure rose from £3.4 m. to £8.2 m. Departmental charges were also higher, but payments on account of defence, repatriation and debt charges were £1 mill. less in 1949. The surplus on revenue account, credited to loan funds, was £5.8 m. in the 1949 quarter, as against £22.9 m. in 1948 and £13.5 m. in 1947.

COMMONWEALTH GOVERNMENT ACCOUNTS (£millions)

R e v e n u e				E x p e n d i t u r e			
I t e m	Actual		Budget	I t e m	Actual		Budget
	September Qr.		Year		September Qr.		Year
	1948	1949	1949-50		1948	1949	1949-50
Customs & Excise	30.5	32.5	124.5	Social Services (1)	17.2	22.0	100.4
Sales Tax	9.7	9.9	35.0	States: Tax Reimb.	8.9	11.0	62.4
Income Tax & S.S.C.	57.4	52.1	276.0	Other	5.2	6.1	38.8
Payroll Tax	4.7	5.2	22.0	P.M.G. & Broadcast'g	8.0	9.7	41.6
Entertainment Tax	1.2	1.3	4.2	Defence		8.7	44.2
Other Taxes	1.5	2.2	9.5	War & Repat. (2)	40.6	15.0	73.8
Total Taxation	105.0	103.2	471.2	Debt Charges (3)		15.9	65.3
P.M.G. & Broadcasting	8.0	8.9	40.3	Capital Works	3.4	8.2	68.9
Other Revenue	2.6	2.8	20.5	Other Expenditure	9.4	12.5	51.0
TOTAL REVENUE	115.6	114.9	532.0	TOTAL EXPENDITURE	92.7	109.1	546.4

Note: Self-balancing Items excluded. 1949-50 Budget Proposals not yet enacted.

(1) Actual expenditure from Nat.Welfare Fund, excl.surplus (budgeted at £20.6 m. for 1949-50). (2) Excluding credit to loan fund £22.9 m. in 1947-48 and £5.8 m. in 1948-49, but includes £35 m. chargeable to loan funds in 1949-50 estimates. (3) Including PMG and railways.

Revenue surplus and loan monies have been used to reduce the Treasury bill circulation in Australia from the peak of £400 m. in February, 1946 to £248 m. in September, 1947, £173 m. in 1948 and £113 m. in 1949.

PART 111: RURAL INDUSTRIES

THE SEASON:

Excellent rainfalls were received in all parts of the State in September and early October, the falls being generally above or near normal for the period. The pastoral outlook is reported to be very satisfactory with the stock in good condition and pastures doing extremely well. Wheat prospects are also good. Northern and North-Western districts had ample rains (so much that some leaf rust is present) and dry conditions in the South and Riverina were relieved by falls in September and early October. Dairy districts seem assured of a good season, except for the flood-damaged areas.

RAINFALL INDEX - NEW SOUTH WALES

Normal Rainfall - 100 for each month and year.

	Sheep Districts					Wheat Districts				Coastal Dairying Districts			
	N.	C.	S.	W.	Total	N.	C.	S.	Total	N.	C.	S.	Total
1946- Year	77	68	101	87	83	62	69	102	88	84	89	80	85
1947- Year	126	131	119	145	127	118	130	124	125	118	109	96	113
1948- Year	102	103	99	92	101	98	100	96	97	106	95	96	102
1949- May	45	98	129	165	101	41	91	120	103	82	68	138	85
- June	111	105	56	46	84	110	112	37	65	99	282	317	174
- July	63	62	104	62	76	51	65	111	92	85	143	61	97
- August	91	68	25	24	56	108	67	23	46	189	202	48	174
- September	256	191	104	168	179	272	187	106	148	76	208	157	120

N.Northern; C.Central; S.Southern; W.Western.

DAIRYING.

With the exception of the flood-damaged Macleay river area seasonal conditions in northern and central dairy districts were very favourable in July and August, and good rainfalls in September relieved the position in Southern districts. Factory Butter production in July and August totalled 6.47 mill.lbs., the best result for this period since 1945.

PRODUCTION OF BUTTER IN FACTORIES, New South Wales
(in million lbs.)

P e r i o d	Average 3 years		1946-47	1947-48	1948-49	1949-50
	1937-38 to 1939-40	1943-44 to 1945-46				
July and August	10.42	6.47	5.40	5.84	6.14	6.47
Sept. to June	103.51	71.49	54.98	70.23	68.38	...
Y e a r	113.93	77.96	60.38	76.07	74.52	...

Dairy herds in New South Wales registered dairies totalled 1,143,000 cattle in March, 1948 and 1,158,000 cattle in 1949, but the increase was mainly in calves and milk yield declined from 295.4 mill.gall in 1947-48 to 290 mill.gall in 1948-49. This is above the yield of the previous three drought seasons but well below the yield of earlier years.

The intake of milk in butter factories fell by 3.1 mill. gall. to 153.3 mill. gall, but there was an increase of 1 mill.gall. in the use of milk for butter-making on farms. Deliveries to the Milk Board rose by 400,000 to 56.1 mill.gall. though sales by other vendors declined slightly over the year. Comparing 1938-39 and 1948-49 the proportion of milk used for butter (factories and farms) fell from 72.4% to 57.1% and for cheese from 2.5% to 2%, while the use of milk for other processed products (condensed, concentrated, powdered etc.) rose from 4.1% to 9% and whole milk supplied to the Milk Board from 8.5% to 19.3%. The supply and sales area of the Milk Board was steadily expanded over the period, and the rise in deliveries to the Board reflect partly a decline in sales by other milk vendors but it is due mainly to greater fresh milk consumption.

MILK PRODUCTION AND DISTRIBUTION, New South Wales

MILK PRODUCTION AND DISTRIBUTION, NEW SOUTH WALES							
Year ended June	Milk used				Supplied to MILK BOARD	Other Uses	TOTAL YIELD MILK
	ON FARMS	IN FACTORIES FOR					
	BUTTER	BUTTER	CHEESE	CONDENSING ETC.(b)			
	million gallons - whole milk				Equivalent		
1939	14.3	211.2	7.4	12.8	26.5	39.2	311.4
1945	12.9	147.6	4.5	21.6	37.3	39.0	262.9
1946	11.6	153.0	5.1	24.1	46.5	38.7	278.9
1947	11.8	124.2	4.8	24.1	52.0	37.2	254.1
1948	11.7	156.4	6.0	28.6	55.7	37.0	295.4
1949 (a)	12.7	153.3	5.6	26.4	56.1	36.0	290.1

(a) Subject to revision. (b) incl. milk supplied to factories outside the State.

Changes in the use of milk from butter and fresh cream to fresh milk and other products are shown by comparing the estimated annual consumption per head of population in Australia pre-war and 1947-48.

CONSUMPTION OF MILK AND MILK PRODUCTS, Australia, lb. per head of population (a)

Yearly Av.	Butter	Fresh Cream	Cheese	Fluid Milk (b)	Milk Products			
					Condensed	Concent'd	Powdered	Other
1936-37/38-39	32.9	6.4	4.4	240.2	3.2	1.1	2.6	1.0
Year 1947-48	24.7	1.0	5.4	313.7	4.7	3.9	3.5	1.2

(a) actual net weights; weight in terms of milk solids for all products except butter was 39.3 lb. pre-war and 49.0 in 1947-48. (b) Equivalent to 23.4 gall and 30.6 gall.

WOOL.

The first month of the 1949-50 selling season, opened in Sydney on 30th August with strong demand from British, continental and Australian buyers and some purchases on Japanese account. American buyers were not active, as early offerings contain little of the fine types which they require. After a strong opening, prices at the Sydney auctions tended slightly downward in the middle of September, but as a result of sterling devaluation competition became keener and prices rose to above the level ruling at the first sales of the season. The average for the month of September was 45d per lb. (see note below table), the same as for the closing month of the 1948-49 sales and 9½d below the record month of February, 1949. Average prices in September, 1948 and 1947 were 47d and 32½d.

AVERAGE PRICE OF GREASY WOOL - NEW SOUTH WALES - Pence per lb. greasy

Season ended 30th June	d per lb.	Month (a)	d per lb.
1939	10.3	1947 September	32.5
1943-46 (average)	15.1 (b)	1948 September	47.0
1947	23.6	1949 February	54.5
1948	37.9	June	45.0
1949	46.8	September	45.0

(a) Average that would be realised if whole clip were sold at price level of that month. (b) On basis of British Government contract; exclusive of profits from resale of J.O. stocks, as yet undistributed.

Australian wool production for the 1948-49 season is estimated at 1,028 mill. lbs., compared with 973 mill. lbs. in 1947-48 and an average of 999 mill. lbs. for the three pre-war years. Apart from current production offerings at post-war sales have included a substantial amount of J.O. stock wool (126 mill. lbs. in 1947-48 and 168 mill. lbs. in 1948-49 sold in Australia) so that the quantity available for export was substantially above pre-war. In addition some J.O. wool was shipped ex store for resale in the United Kingdom (see note to table). The main wool selling season in Australia runs from September to June but shipment of portion of the wool sold at auction is usually delayed until July and August. Shipment figures for the twelve months ended August therefore indicate approximately the purchases of different countries though not necessarily of the countries of final destination. Comparing these periods of 1947-48 and 1948-49 the weight of wool shipped (greasy equivalent, scoured wool etc. converted at rate of 1 lb. scoured = 2 lb. greasy) rose from 1.13 mill. lbs to 1.30 mill lbs but because of the advance in prices the value rose more, from £165.70 mill. to £231.10 mill, representing an increase of 45% in weight and 356% in value over the pre-war average.

Increased quantities were shipped in 1948-49 principally to the United Kingdom, France, Italy and Russia. The United Kingdom took 37% of the total value of wool shipments in 1948-49 (incl. some J.O. wool for re-sale in England) compared with 32% in 1947-48 and 41% pre-war. France and Belgium together took 24% of the total in 1948-49 (27% and 25%), Italy 10% (6% and 4%), and Russia 4%. Exports to Germany and Japan increased substantially over the year but remained well below pre-war. Poland, Sweden and Holland also increased their purchases in 1948-49. The United States which with 17% had been the second largest buyer in 1947-48 took only 8% in 1948-49. American purchases before the war fluctuated between 73 mill lbs. (1946-37) and 4 mill. lbs. (1937-38). During the war they rose to over 300 mill. lbs. a year due to stockpiling and other military demands; shipments declined to 146 mill. lbs. in the 1947-48 period and 79 mill. lbs. (£18.6 mill.) in 1948-49. Exports to Canada also fell off during the year.

W O O L E X P O R T S - Australia

Destination	million lbs, as in grease			V a l u e \$million		
	Yearly Average	Year ended August		Yearly Average	Year ended August	
	1936-37-38/39	1948	1949	1936-37 - 38/39	1948	1949
United Kingdom(a)	369	398	507	20.59	53.54	85.69
France	138	214	233	6.71	27.44	38.71
Belgium	117	127	120	5.90	15.96	16.00
Italy	30	52	124	1.87	8.62	22.57
United States	33	146	79	2.93	27.79	18.62
Soviet Russia	-	23	33	-	5.75	9.27
Other Countries	208	169	208	12.74	26.60	40.24
T o t a l	895	1,129	1,304	50.74	165.70	231.10
Average price per lb. greasy, Australia				13.1d	39.5d	48.1d

(a) Incl. shipments ex-store of J.O. stocks £3.29 mill. in 1947-48 and £6.72 mill. in 1948-49 periods.

The 1949-50 wool selling season began in Sydney on 29th August with a heavy carry-over of 1948-49 wool (79,000 bales in Sydney, Goulburn and Newcastle as against carryovers of 15,000 bales and 39,000 bales at the opening of the two previous seasons). Receipt of new season's wool in the September quarter 1949 (469,000 bales) were also well above the two previous seasons. Rapid clearances were made during the first month of auctions and by the end of September practically the whole carry-over and 172,000 bales of new season's wool had been disposed of, leaving 300,000 bales in store, compared with 265,000 bales and 219,000 bales at the end of September, 1948 and 1947.

RECEIVALS, DISPOSALS AND STOCKS OF WOOL.

(N.S.W. Stores excl. Albury-Thousand Bales)

	1949			1948	1947
	Sydney	Newcastle & Goulburn	Total N.S.W.	Total N.S.W.	Total N.S.W.
Carry-over from June	76	3	79	15	39
Receipts in September Quarter	381	88	469	440	350
Total	457	91	548	455	389
Disposals, September Quarter x.	218	30	248	195	170
Balance in Store at end of Sept.	239	61	300	265	219

x Sales and shipments ex store.

Preliminary figures issued by the Wool Realization Commission show that greasy wool sold at auction in Australia in 1949-50 totalled 3.04 mill. bales, 6% more than in 1947-48 and the highest total since 1943-44 when 3.34 mill. bales were appraised. The principal increases in 1948-49 were in New South Wales (9% from 965,000 bales to 1.05 mill. bales), Victoria and Western Australia, and occurred mainly in the finer grades. In 1938-39 about 85% of wool produced in Australia were of merino quality (60's and over) but the proportion declined to 68% in 1946-47. Since then fine wool production recovered to 72½% of the total in 1947-48 and 74% in 1948-49. There was a marked increase in 1948-49 in the offerings of 64's and 70's qualities, partly at the expense of 64/60's, that is a "fineing up" in merino wool. In the crossbreds the finer qualities (56's and 58's) also increased proportionally to the 50's.

In 1947-48 world merino production was estimated at 1,216 mill. lbs. greasy of which Australia produced about 60%, South Africa 15%, the United States 13% and Argentina and Uruguay together 8%. Crossbred wool production in that year was about 1,736 mill. lbs. greasy with 16% from Australia, 20% from New Zealand, 9% from the United States and 22% from Argentina and Uruguay.

Wool from the 1948-49 and 1949-50 clips sold in Australia in September quarter 1949, most of it at auction in September, totalled 514,400 bales, realising £28.8 mill. as compared with 422,500 bales realising £24.4 mill. in September quarter, 1948. In addition 31,900 bales sold on account of J.O. realised £1.1 mill. in the 1949 period.